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UNCLAS TAIPEI 003768

SIPDIS

SENSITIVE

STATE FOR EAP/RSP/TC, EB/TPP/BTA, STATE PASS AIT/W AND
USTR, USTR FOR KI AND FREEMAN

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TAGS: [ECON](#) [ETRD](#) [TW](#)

SUBJECT: TAIWAN TIFA DEMARCHE DELIVERED

REF: STATE 248966

1. (SBU) Summary: AIT/T delivered reftel demarche on TIFA talks to Ministry of Economic Affairs Vice Minister Chen on November 24. Chen was aware of the content of the demarche and understood the need to avoid characterizing the talks as discussions on an FTA. Chen recognized the U.S. desire for deliverables during the talks and noted that Taiwan would like to be shifted from the Priority Watch List to the Watch List under Special 301. MOEA issued a press release announcing the talks late on November 23 and made no mention of FTA in its release. One news article included FTA in its reporting on the release while the rest of the newspapers echoed the contents of the release. End summary,

2. (SBU) AIT/T Econ Chief delivered reftel demarche to Ministry of Economic Affairs Vice Minister Steve Chen November 24. Based on previous discussions with AIT/T and reports from TECRO Washington, Chen was fully aware of the upcoming TIFA talks and was anticipating making an announcement during the week of November 22-26. Given USTR's decision not to issue an announcement before the November 29-30 meeting, Chen volunteered that he would hold off as long as possible before making any announcement in Taipei.

3. Chen said that he understood U.S. concerns that the meeting not be characterized as an FTA meeting. He said that he would tell all of his colleagues not to make any mention of FTA in conjunction with the TIFA talks. Regarding the need for Taiwan to come prepared with deliverables, Chen said that he understood U.S. concerns on resolving outstanding issues and also noted that Taiwan would like to gain some deliverables. In particular, he cited a desire for Taiwan to move from the Priority Watch List under Special 301 to the Watch List.

4. (SBU) Due to concerns that the news would leak out shortly, late in the day on Wednesday, November 24, MOEA issued a press release announcing that trade talks were resuming under the 1994 Trade and Investment Framework Agreement and would be held in Washington November 29-30. The statement made no mention of FTA. Chinese and English language newspapers carried the press release on November 25. All but one of the reporting articles did so with no mention of FTA. One newspaper, the Chinese language Liberty Times referred to TIFA as an important stepping stone to FTA talks. We believe that the FTA reference was made by the newspaper and not by Taiwan officials.

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